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1909

• MEXICO •  
TRAMWAYS  
• COMPANY •

1909

DIRECTORS  
REPORT  
& ACCOUNTS

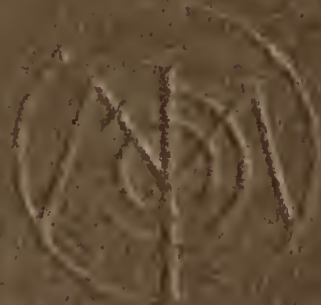


THE COMPANY OF THE



• MEXICO •  
TRAVEL  
COMPANY

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S. M. COLEMAN



# Mexico Tramways Company

Incorporated under the Laws of the Dominion of Canada

THE LIBRARY OF THE

MEXICO TRAMWAYS COMPANY

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## Head Office

Manning Arcade, - TORONTO, Canada

## General Offices

INDIANILLA, MEXICO CITY, Mexico

31 Bishopsgate St. Within, LONDON, E.C., England

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# DIRECTORS' THIRD ANNUAL REPORT

for the year ending

DECEMBER 31st, 1909



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M 574  
1909

# Mexico Tramways Company

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## Board of Directors

F. S. PEARSON, Dr. Sc., C.E., M.I.C.E., New York, President.  
Z. A. LASH, K.C., Toronto, Canada, Vice-President.  
H. MALCOLM HUBBARD, London, England, Vice-President.  
MILLER LASH, Toronto, Canada, Vice-President.  
ROBERT C. BROWN, Mexico City, Managing Director.  
SIR WILLIAM C. VAN HORNE, K.C.M.G., Montreal, Canada.  
E. N. BROWN, Mexico City, Mexico.  
E. R. WOOD, Toronto, Canada.  
WALTER GOW, Toronto, Canada.  
J. S. LOVELL, Toronto, Canada.  
B. H. BINDER, London, England.

## General Manager

HARRO HARRSEN, Mexico City, Mexico.

## Secretary

W. E. DAVIDSON, Toronto, Canada.

## Assistant Secretaries

P. MENDEZ y MENDEZ,  
Mexico City, Mexico.

B. H. BINDER,  
London, E.C., England

## Treasurer

LLOYD LYON, Mexico City, Mexico.

## Trustees for the Bondholders

NATIONAL TRUST CO., Limited, Toronto, Canada.

## Transfer Agents and Registrars

NATIONAL TRUST CO., Limited, Toronto, Canada.

## Solicitors


BLAKE, LASH, ANGLIN & CASSELS, Toronto, Canada.  
CANCINO & RIBA, Mexico City, Mexico.

## Auditors

JOHN MACKAY & COMPANY, Toronto, Canada.  
DELOITTE, PLENDER, GRIFFITHS & CO., Mexico City, Mexico.

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## DIRECTORS' THIRD ANNUAL REPORT

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The Board of Directors beg to submit their Third Annual Report, together with Balance Sheet and Profit and Loss Account of the Company for the year ending December 31st, 1909, and are glad to be able to report that the operation of the Company's undertaking during the past year has been most satisfactory.

As will be seen from the accompanying accounts, the net revenue for 1909, in gold, after paying all expenses and fixed charges, amounted to \$922,457.95, which, added to the balance of \$371,350.17 standing to the credit of Profit and Loss Account at the end of the previous year, brought the balance of such account up to \$1,293,808.12. During the year four quarterly dividends, at the rate of 6 per cent. per annum, were paid to the shareholders, absorbing \$577,464, and leaving a credit balance to Profit and Loss Account of \$716,344.12, out of which \$300,000 has been carried to a reserve account as a special appropriation for depreciation, and the sum of \$416,344.12 has been carried forward.

The ratio of operating expenses to gross income has been steadily reduced during the last three years from 55.56 per cent. in 1907 to 50.02 per cent. in 1909, and the Board look for a further reduction during the present year. During the year the sum of \$2,066,278.04 has been spent on Capital Account for extensions of lines, improvements and increase of equipment.

Attached to this report is a schedule giving a comparative statement of the Company's equipment, from which it will be observed that during the year the equipment has been increased by the manufacture of 43 new cars, all of which have been built in the shops of the Company.

On December 31st, 1909, the Tramways system consisted of 171.90 miles of single track, of which 145.245 miles were operated by electricity and 26.655 miles by mules.

During the year under review, the electric track mileage has been increased by 19,835 miles and 19.105 miles of mule track has been discontinued, as it was found possible to consolidate the lines in such a way as to provide a service equally satisfactory to the public, and at the same time to effect economies in operation by reducing the mileage operated under the old mule system.

As mentioned in the last report, the Company acquired during the year 1909 a controlling interest in The Mexican Light & Power Company, Limited, by the purchase of 85,256 Ordinary Shares of the Capital Stock of that Company. This step was taken with the object of assuring to the Company a regular and reliable

supply of power, as it was evident that the demands of the Tramways system would constantly increase, and the Board considered that the Company could not afford to be dependent upon an outside corporation for the supply of its power. The Directors are satisfied that, apart from this consideration, the acquisition will prove a remunerative investment, as with the consolidation and centralization of management, a very considerable economy has already been effected in the operation of both Companies.

For the purpose of the acquisition of the shares of The Mexican Light & Power Company, Limited, as well as to assist that Company by cash advances, in providing the funds necessary for the extension of its hydro-electric system, the Tramways Company sold 54,874 shares of its capital stock during the year at an average price of \$135.99, being a premium of \$35.99. These sales have brought the total capital stock issued up to 114,874 shares.

In addition to the money that has been expended on Capital Account in the electrification of mule and steam lines, and the development of the Company's system, a large amount has been expended, as will be seen by reference to the appended operating accounts, out of earnings, on the maintenance of the property, which has been maintained in first class condition, and the Board are satisfied that the physical condition of the property has been greatly improved during the year.

The business depression in the United States due to the financial crisis in 1907 extended to Mexico in the following year, and until the middle of the year 1909 business throughout the republic was very much depressed; this general falling off in business was reflected in the earnings of the Tramways, and in consequence the increase in the gross income for the year was not great, but within the last six months there has been a decided improvement in trade, as is evidenced by the rapidly increasing gross receipts of the National Railway lines, and by the resumption of building operations and general business in Mexico City and elsewhere in the republic, and it is anticipated that this general improvement in business will soon make itself felt in the revenues of the Tramways Company.

The appended statistics regarding the Company will be of interest, especially as indicating the continuous expansion of its business.

The Board, considering that it would greatly assist the financial arrangements of the Company if the markets for its securities were broadened, took steps to secure the listing of the shares of the Company on the Parquet of the Paris Bourse, and they are glad to state that the arrangements for this were completed in the early part of this year. In connection with the listing it was agreed that the French Government should nominate two French Directors to the Board, and in conformity with such understanding Vicomte Gaston de Breteuil has been elected to the Board; the second Director has not yet been nominated by the Government, and consequently has not yet been appointed. The nomination of the Vicomte de Breteuil was very satisfactory to the Board, as this gentleman is a business man



of high standing in Paris, and has considerable knowledge of financial affairs on this continent, and they therefore consider that the Company is to be congratulated on his appointment.

The Board regret exceedingly having to record the death in October last of a valued member of the Board, Mr. Julio M. Limantour, of Mexico City. Mr. Limantour was one of the most prominent and eminent business men of the republic, being concerned in many of the large enterprises of the country. His interest in this Company and his constant willingness to aid the Board in every possible way was always greatly appreciated, and the Board feel that the Company has suffered a great loss through his death.

Mr. Pablo Macedo, who was elected to succeed Mr. Limantour, is one of the most prominent lawyers in Mexico, having been legal adviser to the Government for many years. He is a member and President of the Finance Committee of Congress, and holds at the present time, among other official positions, that of Vice-President of the National Railways, Director of the National Bank of Mexico, and is also prominently identified with many other important enterprises of the republic. Mr. Macedo has served for many years as General Counsel for the Tramways Company, in which capacity he has rendered the Company most loyal service, and the Board feel much gratified in his consenting to join the Board of Directors.

Your Directors take pleasure in stating that the relations between the Company and the Federal, State and City officials in Mexico are most harmonious, and desire again to acknowledge the courtesy and consideration which the Company and its officials have at all times received from them.

In closing, the Directors desire to express their great appreciation of the faithful services of Mr. R. C. Brown, Managing Director, Mr. Luis Riba, Legal Representative, and Mr. Harro Harrsen, General Manager, and of the other officials of the Company resident in Mexico.

By order of the Board,

W. E. DAVIDSON,  
Secretary.

Toronto, Canada.

## SCHEDULE OF CAR EQUIPMENT.

	1905	1906	1907	1908	1909
First Class Passenger Motor Cars, Electric.....	169	182	214	220	238
“ “ Trail Cars, Electric.....	9	19	9	25	25
Second “ Passenger Motor Cars, Electric.....	8	8	8	8	8
“ “ Passenger Trail “ Electric.....	34	37	38	47	59
First “ Passenger Mule “ (Std. gauge) ..	34	30	30	30	31
Second “ Passenger Mule “ (Std. gauge)...	12	14	14	14	14
First “ Passenger Mule “ (narrow gauge)	24	25	23	23	22
Second “ Passenger Mule “ (narrow gauge)	5	5	5	5	5
First “ Passenger Steam “ .....	5	2	2	....	....
Second “ Passenger Steam “ .....	2	1	1	....	....
Freight Motor Cars, Electric.....	15	24	26	36	36
“ Trail Cars, Electric.....	22	40	40	72	72
“ Cars, Mule.....	74	43	43	46	27
“ Cars, Steam.....	65	62	62	25	13
Funeral Equipment.....	41	45	43	44	56
Valle Ry. Engines.....	4	4	4	3	‡ 1
Miscellaneous.....	46	40	45	45	45
	568	581	607	643	652

‡ Not in use.

During the past year the Company has built the following equipment:

First Class Passenger Motor Cars —48' 6" long—Seating Capacity, 56.....	10
“ “ “ “ “ —35' 8" “ — “ “ 36.....	8
Second “ “ Trail “ —43' 8" “ — “ “ 40.....	12
First “ Funeral Motor “ —Vestibule.....	2
“ “ “ “ “ —.....	6
“ “ “ Trail “ —28' long — “ “ 24.....	4
Special Overhead Line Motor Car.....	1
	43

During the year 32 cars and 2 locomotives have been sold or demolished, which, being deducted from the above, makes a net increase of 9.

Besides the above, the Company has built 20 dump cars and one special Combination Passenger Car, for The Mexican Light & Power Company, Ltd.

## COMPARATIVE STATEMENT OF TRACK MILEAGE.

	ELECTRIC	MULE	STEAM	TOTAL
1905.....	98.47	39.16	12.33	149.96
1906.....	108.00	39.00	12.00	159.00
1907.....	118.00	37.00	12.00	167.00
1908.....	125.41	37.88	7.88	171.17
1909.....	145.245	26.655	.....	171.90

Notwithstanding that the increase shown in the total mileage is very small, there were 19.835 miles of new electric track actually constructed in place of the steam tracks of the Valle Ry. and some of the mule lines, many of which were useless for the combined system.

SCHEDULE OF GROSS EARNINGS, OPERATING EXPENSES AND MISCELLANEOUS  
INFORMATION FROM 1905 TO 1909.

	1905	1906	1907	1908	1909
<b>CAR EARNINGS:</b>					
Passengers.....	\$2,947,728.64	\$3,407,181.99	\$4,026,132.00	\$4,347,560.94	\$4,420,690.16
Tickets.....	298,139.50	342,716.05	411,615.90	458,455.10	486,962.49
Touring Cars.....				6,390.50	7,004.50
Chartered Cars.....	12,939.36	12,111.84	14,877.37	10,319.43	11,149.59
Freight, Steam.....	60,690.84	62,196.07	56,649.16	29,035.33	
Freight, Other.....	66,641.99	122,494.70	155,969.21	190,283.22	216,145.63
Baggage and Parcels.....	73,773.68	76,889.62	69,184.12	81,198.75	87,813.52
Funeral.....	132,344.71	132,501.41	135,719.83	156,972.35	153,248.56
Total.....	3,592,258.72	4,156,091.68	4,870,147.59	5,280,215.62	5,383,014.45
<b>MISCELLANEOUS EARNINGS AND IN-</b>					
<b>COME.....</b>					
	49,846.90	54,676.42	53,926.82	48,357.22	57,272.42
<b>TOTAL EARNINGS AND INCOME.....</b>	<b>3,642,105.62</b>	<b>4,210,768.10</b>	<b>4,924,074.41</b>	<b>5,328,572.84</b>	<b>5,440,286.87</b>
<b>OPERATING EXPENSES INCLUDING</b>					
<b>TAXES.....</b>					
	2,176,374.21	2,313,096.69	2,760,583.84	2,795,092.30	2,721,457.03
<b>PASSENGERS CARRIED FOR CASH FARES:</b>					
1st Class.....	34,699,704	39,052,026	46,680,902	51,738,896	52,772,825
2nd Class.....	13,057,736	15,511,199	17,942,665	18,618,765	19,206,742
Total.....	47,757,440	54,563,225	64,623,567	70,357,661	71,979,567
<b>CAR MILEAGE:</b>					
Motors and Trailers.....	7,697,536	8,212,211	8,820,284	9,760,487	10,348,183
Steam.....	15,631	9,257	8,881	5,965	
Animal.....	751,861	796,576	803,145	776,814	628,692
Freight and Sundry.....	564,851	760,094	790,302	813,476	907,446
Total.....	9,029,879	9,778,138	10,322,612	11,356,742	11,884,321
<b>AVERAGE 18 HOUR CARS OPERATED</b>					
<b>PER DAY:</b>					
Electric.....	152.68	162.70	183.47	209.23	217.32
Mule.....	23.02	24.11	25.57	23.44	18.38
Total.....	175.70	186.81	209.04	232.67	235.70
<b>AVERAGE EARNINGS PER PASSENGER</b>					
<b>CAR PER DAY.....</b>					
	50.61	54.99	58.16	56.43	57.05
<b>AVERAGE PASSENGER RECEIPTS PER</b>					
<b>CAR MILE.....</b>					
	38.34	41.58	46.55	45.59	44.68
<b>OPERATING EXPENSES, NOT INCLUDING</b>					
<b>TAXES, PER CAR MILE, PASSENGER</b>					
<b>AND FREIGHT SERVICE.....</b>					
	23.20	24.70	28.03	25.61	23.89
<b>DAILY AVERAGE EARNINGS FROM</b>					
<b>OPERATION.....</b>					
	9,481.80	11,386.55	13,342.87	14,426.82	14,747.98
<b>DAILY AVERAGE OPERATING EX-</b>					
<b>PENSES.....</b>					
	5,739.73	6,103.19	7,321.54	7,378.44	7,182.59
<b>PERCENTAGE OF GROSS EXPENDITURES,</b>					
<b>INCLUDING TAXES, TO GROSS</b>					
<b>EARNINGS AND INCOME.....</b>					
	59.75	54.93	55.86	52.45	50.02
<b>MULES ON HAND.....</b>					
	357	394	414	422	330
<b>HORSES ON HAND.....</b>					
	14	12	11	18	12
<b>TOTAL ANIMALS.....</b>	<b>371</b>	<b>406</b>	<b>425</b>	<b>440</b>	<b>342</b>



# MEXICO TRAMWAYS

Incorporated under the laws of

## BALANCE SHEET

### ASSETS

#### PROPERTIES, SECURITIES AND CONTRACTS ACQUIRED:

As per last Balance Sheet.....	\$13,283,772.00	
Add: Cost of Securities acquired during year.....	7,596,468.07	
		\$20,880,240.07

STOCK OF STORES ON HAND AND IN TRANSIT..... 840,009.15

MULES AND HORSES..... 17,593.48

OFFICE FURNITURE AND FIXTURES..... 4,559.25

ACCOUNTS RECEIVABLE..... 350,916.04

#### ADVANCES TO SUBSIDIARY AND OTHER COMPANIES CONTROLLED BY THE COMPANY:

As per last Balance Sheet..... \$1,609,825.40

Add: Further advances to The Mexico Electric Tram-  
ways Ltd. for Capital Expenditure..... \$2,066,278.04

Advances during the year to The Mexican Light  
and Power Co. Ltd. for Capital Expenditure  
subsequently secured by 2nd Mortgage Bonds of  
that Company, now held as collateral..... 7,024,188.29

\$9,090,466.33

Deduct: Ferrecarriles del Distrito Federal de Mexico  
S.A..... 4,351.38

9,086,114.95

10,695,940.35

CASH AT BANKS AND ON HAND..... 529,802.39

\$33,319,060.73

# COMPANY

the Dominion of Canada

DECEMBER 31st, 1909

American Currency

## LIABILITIES

### SHARE CAPITAL:

Authorized—200,000 shares of \$100 each..... \$20,000,000.00

Issued— 114,874 shares of \$100 each, fully paid..... \$11,487,400.00

GENERAL CONSOLIDATED FIRST MORTGAGE FIFTY YEAR FIVE PER CENT. GOLD BONDS.. 9,000,000.00

SIX PER CENT. FIFTY YEAR MORTGAGE DEBENTURE BONDS..... 6,087,500.00

BONDHOLDERS FOR ACCRUED INTEREST..... 335,636.12

CURRENT LOANS AND ACCOUNTS PAYABLE..... 3,717,186.20

### RESERVE ACCOUNT (including provision for depreciation):

Amount appropriated from Balance at credit of Profit and Loss Account \$300,000.00

**Add:** Net Premiums on new Shares issued during year..... 1,974,994.29  
2,274,994.29

### PROFIT AND LOSS ACCOUNT:

Credit Balance as per Account..... \$716,344.12

### **Deduct:** Appropriation to Reserve Account and as provision for depre-

ciation..... 300,000.00  
416,344.12

\$33,319,060.73

TO THE SHAREHOLDERS:

MEXICO TRAMWAYS COMPANY:

We beg to report that we have audited the above Balance Sheet with returns received from the Company's Mexico City office, which were properly certified by Messrs. Deloitte, Plender, Griffiths & Company; that we have received all the information and explanations that we have required; and that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at 31st December, 1909, according to the best of our information and the explanations given us, and as shown by the books of the Company.

Toronto, 23rd June, 1910.

JOHN MACKAY & CO. } Auditors.  
Chartered Accountants }

# MEXICO TRAMWAYS

Incorporated under the Laws of

## HEAD OFFICE, TORONTO, PROFIT AND LOSS ACCOUNT

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To TORONTO and LONDON OFFICES EXPENSES, including Rent, Salaries, Printing and Stationery, Telegrams and Cablegrams, Rates, Taxes, etc.....	\$38,426.94
“ INTEREST ON LOANS.....	31,099.74
“ INTEREST on General Consolidated First Mortgage Fifty-year Five per cent. Gold Bonds	450,000.00
“ INTEREST on Six per cent. Fifty-year Debenture Bonds.....	365,250.00
“ QUARTERLY DIVIDENDS, Nos. 6 to 9 inclusive.....	577,464.00
“ DIFFERENCE IN EXCHANGE.....	10,492.15
“ BALANCE carried to Balance Sheet.....	716,344.12
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	\$2,189,076.95
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# COMPANY

the Dominion of Canada

For the Year ended December 31st, 1909

American Currency

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BY BALANCE as at December 31st, 1908.....	\$371,350.17
“ PROFIT from Operation of the System after providing for Lease Rentals, \$2,198,530.01 Mexican Currency, at 49.74.....	1,093,548.83
“ INTEREST and DIVIDENDS on Loans to and Securities of other Companies owned or controlled by this Company.....	724,177.95

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\$2,189,076.95

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# MEXICO TRAMWAYS

Incorporated under the Laws of

## MEXICO CITY PROFIT AND LOSS ACCOUNT

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To OPERATING AND GENERAL EXPENSES.....	\$2,003,730.12
“ MAINTENANCE.....	617,962.25
“ GROSS PROFIT from Operation carried down.....	2,796,465.24

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\$5,418,157.61

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To TAXES.....	\$ 99,812.30
“ RENTALS and FIXED CHARGES payable to Subsidiary Companies under Leases, less amount received back as Interest and Dividends on Securities held in such Com- panies.....	499,091.11
“ BALANCE transferred to Head Office, Toronto, Profit and Loss Account.....	2,198,530.01
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	\$2,797,433.42

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# COMPANY

the Dominion of Canada.

For the Year ended December 31st, 1909

Mexican Currency

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By EARNINGS from Traffic.....	\$5,383,014.45
“ MISCELLANEOUS EARNINGS.....	35,143.16

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\$5,418,157.61

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By GROSS PROFIT from Operation brought down.....	\$2,796,465.24
“ SUNDRY RECEIPTS.....	968.18

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\$2,797,433.42

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## MEXICO TRAMWAYS COMPANY

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### NOTICE

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NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of the MEXICO TRAMWAYS COMPANY will be held on Friday, the 5th day of August, 1910, at 11 o'clock in the forenoon, at the office of the Company, Manning Arcade, 24 and 28 King Street West, Toronto, Canada, for the purpose of receiving the annual report of the Board of Directors of the Company, for the election of Directors and for such other purposes as may be dealt with at an Annual Meeting.

The Stock Transfer Books of the Company will be closed from August 1st to August 5th, 1910, inclusive.

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BY ORDER of the Board.

W. E. DAVIDSON,

*Secretary.*

Manning Arcade,  
24 and 28 King Street West,  
TORONTO, Canada.

*Dated July 4th, 1910*